

DEBTOR: Pacific WebWorks Inc.

MONTHLY OPERATING REPORT
CHAPTER 11

CASE NUMBER: 16-21223

Form 2-A
COVER SHEET

For Period Ending 12/31/2016

Accounting Method: ☐ Accrual Basis

☒ Cash Basis

THIS REPORT IS DUE 14 DAYS AFTER THE END OF THE MONTH

Mark One Box for Each
Required Document:

Debtor must attach each of the following reports/documents unless the U. S. Trustee has waived the requirement in writing. File the original with the Clerk of Court. Submit a duplicate, with original signature, to the U. S. Trustee.

Report/Document Attached	Previously Waived	REQUIRED REPORTS/DOCUMENTS
<input checked="" type="checkbox"/>	<input type="checkbox"/>	1. Cash Receipts and Disbursements Statement (Form 2-B)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	2. Balance Sheet (Form 2-C)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	3. Profit and Loss Statement (Form 2-D)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	4. Supporting Schedules (Form 2-E)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	5. Quarterly Fee Summary (Form 2-F)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	6. Narrative (Form 2-G)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	7. Bank Statements for All Bank Accounts IMPORTANT: Redact account numbers and remove check im:
<input checked="" type="checkbox"/>	<input type="checkbox"/>	8. Bank Statement Reconciliations for all Bank Accounts

I declare under penalty of perjury that the following Monthly Operating Report, and any attachments thereto are true, accurate and correct to the best of my knowledge and belief.

Executed on: _____

Print Name: K. Candice Bell

Signature: 

Title: Resident

DEBTOR: Pacific WebWorks Inc. CASE NO: 16-21223

Form 2-B
CASH RECEIPTS AND DISBURSEMENTS STATEMENT
For Period: 12/1/2016 to 12/31/2016

CASH FLOW SUMMARY

	<u>Current Month</u>	<u>Accumulated</u>
1. Beginning Cash Balance	\$ <u>277,313.02</u> (1)	\$ <u>1,230,771.71</u> (1)
2. Cash Receipts		
Operations	-	-
Distributions		94,292.86
Bank Interest Income		1.20
Other	-	51,480.06
Total Cash Receipts	\$ <u>-</u>	\$ <u>145,774.12</u>
3. Cash Disbursements		
Operations	50,603.35	236,361.71
Debt Service/Secured loan payment	-	-
Professional fees/U.S. Trustee fees	-	-
Other	-	-
Total Cash Disbursements	\$ <u>50,603.35</u>	\$ <u>236,361.71</u>
4. Net Cash Flow (Total Cash Receipts less Total Cash Disbursements)	<u>(50,603.35)</u>	<u>(90,587.59)</u>
5 Ending Cash Balance (to Form 2-C)	\$ <u>226,709.67</u> -2	\$ <u>688,038.56</u> (2)

CASH BALANCE SUMMARY

	<u>Financial Institution</u>	<u>Book Balance</u>
Petty Cash		\$
DIP Operating Account		-
DIP State Tax Account		-
DIP Payroll Account		-
Other Operating Account	Interbank trust account	226,709.67
Other Operating Account		
Other Operating Account		
Other Operating Account		
Other Operating Account		
Other Operating Account		
Other Operating Account		
Other Interest-bearing Account		-
TOTAL (must agree with Ending Cash Balance above)		\$ <u>226,709.67</u> (2)

- (1) *Accumulated beginning cash balance is the cash available at the commencement of the case.
Current month beginning cash balance should equal the previous month's ending balance.*
- (2) *All cash balances should be the same.*

DEBTOR: Pacific WebWorks Inc.

CASE NO: 16-21223

Form 2-B
CASH RECEIPTS AND DISBURSEMENTS STATEMENT
For Period: 12/1/2016 to 12/31/2016

CASH RECEIPTS DETAIL
(attach additional sheets as necessary)

Account No:

Date	Payer	Description	Amount
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\$

Total Cash Receipts \$ - (1)

(1) Total for all accounts should agree with total cash receipts listed on Form 2-B, page 1

DEBTOR: Pacific WebWorks Inc.

CASE NO: 16-21223

Form 2-B
CASH RECEIPTS AND DISBURSEMENTS STATEMENT
For Period: 12/1/2016 to 12/31/2016

CASH DISBURSEMENTS DETAIL
(attach additional sheets as necessary)

Account No:

Date	Check No.	Payee	Description (Purpose)	Amount
12/12/2016	109	Tanner Purser	Accounting services	765.00
12/27/2016	110	Cohne Kinghorn	Legal Fees	22,583.50
12/27/2016	111	Cohne Kinghorn	Legal Fees	8,828.26
12/22/2016	112	Rocky Mountain Advisory	Professional Fess	18,361.50
12/22/2016	113	Rocky Mountain Advisory	Professional Fess	65.09

Total Cash Disbursements \$ 50,603.35 (1)

(1) Total for all accounts should agree with total cash disbursements listed on Form 2-B, page 1

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Form 2-C
COMPARATIVE BALANCE SHEET
For Period Ended: 12/31/2016

	Current Month	Petition Date (1)
ASSETS		
Current Assets:		
Cash (from Form 2-B, line 5)	\$ 226,709.67	\$ 87,802.28
Accounts Receivable (from Form 2-E)	-	14,994.03
Receivable from Officers, Employees, Affiliates	-	-
Inventory	-	-
Other Current Assets : (List) <u>Hartford insurance</u>	757.00	6,141.90
		53,271.15
Total Current Assets	\$ <u>227,466.67</u>	\$ <u>162,209.36</u>
Fixed Assets:		
Land	\$ -	\$ -
Building	-	-
Equipment, Furniture and Fixtures	-	6,000.00
Total Fixed Assets	<u>-</u>	<u>6,000.00</u>
Less: Accumulated Depreciation	()	()
Net Fixed Assets	\$ <u>-</u>	\$ <u>6,000.00</u>
Other Assets (List):		4,825.00
TOTAL ASSETS	\$ <u><u>227,466.67</u></u>	\$ <u><u>173,034.36</u></u>
LIABILITIES		
Post-petition Accounts Payable (from Form 2-E)	\$ -	\$ -
Post-petition Accrued Professional Fees (from Form 2-E)	-	-
Post-petition Taxes Payable (from Form 2-E)	-	-
Post-petition Notes Payable	-	-
Other Post-petition Payable(List): <u>Operating Payables</u>	-	-
Total Post Petition Liabilities	\$ <u>-</u>	\$ <u>-</u>
Pre Petition Liabilities:		
Secured Debt		36,188.70
Priority Debt	17,762.84	23,323.24
Unsecured Debt	138,457.64	174,291.80
Total Pre Petition Liabilities	\$ <u>156,220.48</u>	\$ <u>233,803.74</u>
TOTAL LIABILITIES	\$ <u><u>156,220.48</u></u>	\$ <u><u>233,803.74</u></u>
OWNERS' EQUITY		
Capital Stock	\$ 49,722.00	\$ 49,722.00
APIC	18,511,104.00	18,511,104.00
Retained Earnings - Prepetition	(18,098,675.93)	(18,621,595.38)
Retained Earnings - Post-petition	(390,903.88)	-
TOTAL OWNERS' EQUITY	\$ <u><u>71,246.19</u></u>	\$ <u><u>(60,769.38)</u></u>
TOTAL LIABILITIES AND OWNERS' EQUITY	\$ <u><u>227,466.67</u></u>	\$ <u><u>173,034.36</u></u>

DEBTOR: Pacific WebWorks Inc.

CASE NO: 16-21223

Form 2-D
PROFIT AND LOSS STATEMENT
For Period 12/1/2016 to 12/31/2016

	Current Month	Accumulated Total (1)
Gross Operating Revenue	\$	\$ 35.90
Less: Discounts, Returns and Allowances	()	()
Net Operating Revenue	\$ -	\$ 35.90
Cost of Goods Sold		60.00
Gross Profit	\$ -	\$ (24.10)
Operating Expenses		
Officer Compensation	\$ -	\$ -
Selling, General and Administrative	50,603.35	387,408.58
Rents and Leases	-	-
Depreciation, Depletion and Amortization	-	-
Other (list): <u>Settlement Fees</u>	-	-
Total Operating Expenses	\$ 50,603.35	\$ 387,408.58
Operating Income (Loss)	\$ (50,603.35)	\$ (387,432.68)
Non-Operating Income and Expenses		
Other Non-Operating Expenses	\$ -	\$ -
Gains (Losses) on Sale of Assets	-	-
Interest Income	-	(1.21)
Interest Expense	-	-
Other Non-Operating Income		(175,000.00)
Net Non-Operating Income or (Expenses)	\$ -	\$ (175,001.21)
Reorganization Expenses		
Legal and Professional Fees	\$ -	\$ -
Other Reorganization Expense	-	-
Total Reorganization Expenses	\$ -	\$ -
Net Income (Loss) Before Income Taxes	\$ (50,603.35)	\$ (212,431.47)
Federal and State Income Tax Expense (Benefit)	-	-
NET INCOME (LOSS)	\$ (50,603.35)	\$ (212,431.47)

(1) Accumulated Totals include all revenue and expenses since the petition date.

DEBTOR: Pacific WebWorks Inc.

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Form 2-E
SUPPORTING SCHEDULES

For Period: 12/1/2016 to 12/31/2016

POST PETITION TAXES PAYABLE SCHEDULE

	Beginning Balance (1)	Amount Accrued	Amount Paid	Date Paid	Check Number	Ending Balance
Income Tax Withheld:						
Federal \$	0 \$	0 \$	0		Payroll	\$ 0
State	0	0	0		Payroll	0
FICA Tax Withheld	0	0	0		Payroll	0
Employer's FICA Tax	0	0	0		Payroll	0
Unemployment Tax						
Federal	0	0	0			0
State	0	0	0			0
Sales, Use & Excise Taxes	0	0	0			0
Property Taxes	0	0	0			0
Accrued Income Tax:						
Federal	0	0	0			0
State	0	0	0			0
Other: _____	0	0	0			0
TOTALS	\$ 0	\$ 0	0			\$ 0

(1) For first report, Beginning Balance will be \$0; thereafter, Beginning Balance will be Ending Balance from prior report.

(2) Taxes are paid from the operating account with each payroll payment to Paychex. Which then remits the appropriate amounts to the taxing authorities

INSURANCE SCHEDULE

Carrier	Amount of Coverage	Expiration Date	Premium Paid Through
Workers' Compensation	\$		\$
General Liability	\$		\$
Property (Fire, Theft)	\$		\$
Vehicle	\$		\$
Other (list):	\$		\$
D&O / E&O	\$		\$

DEBTOR: Pacific WebWorks Inc.

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Form 2-E
SUPPORTING SCHEDULES
 For Period: 12/1/2016 to 12/31/2016

ACCOUNTS RECEIVABLE AND POST PETITION PAYABLE AGING

<u>Due</u>	<u>Accounts Receivable</u>	<u>Post Petition Accounts Payable</u>
Under 30 days	\$ 0.00	\$ 0.00
30 to 60 days	0.00	0.00
61 to 90 days	0.00	0.00
91 to 120 days	0.00	0.00
Over 120 days	0.00	0.00
Total Post Petition	<u>0.00</u>	
Pre Petition Amounts	<u>0.00</u>	
Total Accounts Receivable	\$ 0.00	
Less: Bad Debt Reserve	<u>0.00</u>	
Net Accounts Receivable (to Form 2-C)	<u><u>0.00</u></u>	
	Total Post Petition Accounts Payable	\$ <u><u>0.00</u></u>

* Attach a detail listing of accounts receivable and post-petition accounts payable

SCHEDULE OF PAYMENTS TO ATTORNEYS AND OTHER PROFESSIONALS

	<u>Month-end Retainer Balance</u>	<u>Current Month's Accrual</u>	<u>Paid in Current Month</u>	<u>Date of Court Approval</u>	<u>Month-end Balance Due *</u>
Debtor's Counsel	\$ 0	\$ 0	\$ 0		\$ 0
Counsel for Unsecured Creditors' Committee	0	0	0		0
Trustee's Counsel	0	0	0		0
Accountant	0	0	0		0
Other:	0	0	0		0
Total	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>		\$ <u>0</u>

*Balance due to include fees and expenses incurred but not yet paid.

SCHEDULE OF PAYMENTS AND TRANSFERS TO PRINCIPALS/EXECUTIVES**

<u>Payee Name</u>	<u>Position</u>	<u>Nature of Payment</u>	<u>Amount</u>

**List payments and transfers of any kind and in any form made to or for the benefit of any proprietor, owner, partner, shareholder, officer or director.

DEBTOR: Pacific WebWorks Inc.

CASE NO: 16-21223

Form 2-F
QUARTERLY FEE SUMMARY *
For the Month Ended: 12/31/2016

<u>Month</u>	<u>Year</u>	<u>Cash Disbursements **</u>	<u>Quarterly Fee Due</u>	<u>Check No.</u>	<u>Date Paid</u>
January	<u>2016</u>	\$ 0			
February	<u>2016</u>	563.23			
March	<u>2016</u>	19331.46	325	1025	5/9/2016
			<u>325</u>	1032	5/12/2016
TOTAL 1st Quarter	\$	<u>19,894.69</u> \$	<u>650</u>		
April	<u>2016</u>	39,810.33	325	1034	5/31/2016
May	<u>2016</u>	31,357.71			
June	<u>2016</u>	50,603.35			
TOTAL 2nd Quarter	\$	<u>121,771.39</u> \$	<u>650</u>	1053	8/1/2016
July	<u>2016</u>	18,331.08			
August	<u>2016</u>	25,389.44			
September	<u>2016</u>	56,613.83			
TOTAL 3rd Quarter	\$	<u>100,334.35</u> \$	<u>650</u>	<u>0.00</u>	<u>10/25/2016 0:00</u>
October	<u>2016</u>	142,175.29			
November	<u>2016</u>	1,530.95	325		11/23/2016
December	<u>2016</u>	50,603.35			
TOTAL 4th Quarter	\$	<u>194,309.59</u> \$	<u>\$1,625</u>		

FEE SCHEDULE (as of JANUARY 1, 2008)

Subject to changes that may occur to 28 U.S.C. §1930(a)(6)

<u>Quarterly Disbursements</u>	<u>Fee</u>	<u>Quarterly Disbursements</u>	<u>Fee</u>
\$0 to \$14,999.....	\$325	\$1,000,000 to \$1,999,999.....	\$6,500
\$15,000 to \$74,999.....	\$650	\$2,000,000 to \$2,999,999.....	\$9,750
\$75,000 to \$149,999.....	\$975	\$3,000,000 to \$4,999,999.....	\$10,400
\$150,000 to \$224,999.....	\$1,625	\$5,000,000 to \$14,999,999.....	\$13,000
\$225,000 to \$299,999.....	\$1,950	\$15,000,000 to \$29,999,999....	\$20,000
\$300,000 to \$999,999.....	\$4,875	\$30,000,000 or more	\$30,000

* This summary is to reflect the current calendar year's information cumulative to the end of the reporting period

** Should agree with line 3, Form 2-B. Disbursements are net of transfers to other debtor in possession bank accounts

Failure to pay the quarterly fee is cause for conversion or dismissal of the chapter 11 case. [11 U.S.C. Sec. 1112(b)(10)]

In addition, unpaid fees are considered a debt owed to the United States and will be assessed interest under 31 U.S.C. §3717

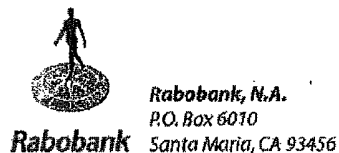
DEBTOR: Pacific WebWorks Inc.

CASE NO: 16-21223

**Form 2-G
NARRATIVE**

For Period: 12/1/2016 to 12/31/2016

Please provide a brief description of any significant business and legal actions taken by the debtor, its creditors, or the court during the reporting period, any unusual or non-recurring accounting transactions that are reported in the financial statements, and any significant changes in the financial condition of the debtor which have occurred subsequent to the report date.



Period Covered:
December 01, 2016 - December 31, 2016
Page 1 of 4

Gil A. Miller
215 South State Street, Suite 550
Salt Lake City UT 84111

Case Number: 16-21223
Case Name: Pacific WebWorks, Inc
Trustee Number: 0000640150
Trustee Name: Gil A. Miller

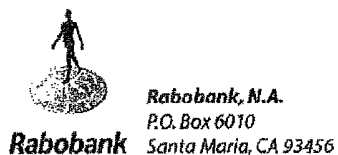
Questions
(800) 634-7734, ext. 8
bmsbankingcenter@bms7.com
www.bmsadvantage.com

Consolidated Balance Summary

Account	Number	Maturity Date	Ending Balance Prior Period	Ending Balance This Period
Checking Account				
TRUSTEE CHECKING			\$277,313.02	\$0.00
Total			\$277,313.02	\$0.00

Notable Information For You...

Rabobank is switching bank statement providers. Beginning with your February bank statement, you will notice a few small formatting changes; however, there will be no change to the information that you receive.



Account Number: [REDACTED]

Period Covered:
December 01, 2016 - December 31, 2016
Page 2 of 4

Gil A. Miller
215 South State Street, Suite 550
Salt Lake City UT 84111

Case Number: 16-21223
Case Name: Pacific WebWorks, Inc
Trustee Number: 0000640150
Trustee Name: Gil A. Miller

Questions
(800) 634-7734, ext. 8
bmsbankingcenter@bms7.com
www.bmsadvantage.com

Trustee Checking

Account number	5007838266	Beginning balance	\$277,313.02
Enclosures	6	Total additions	\$0.00
Avg collected balance	\$243,869.00	Total subtractions	\$277,313.02
		Ending balance	\$0.00

CHECKS

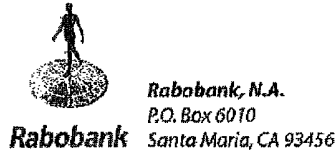
Number	Date	Amount	Number	Date	Amount
109	12-12	765.00	112	12-22	18,361.50
110	12-27	22,583.50	113	12-22	65.09
111	12-27	8,828.26			

DEBITS

Date	Description	Subtractions
12-29	DEBIT MEMO - INTERBANK TRANSFER DEBIT	226,709.67

DAILY BALANCES

Date	Amount	Date	Amount
11-30	277,313.02	12-22	258,121.43
12-12	276,548.02	12-27	226,709.67



Account Number: [REDACTED]
 Statement Date: December 31, 2016
 Page: 3 of 4

Rabobank, N.A.
 100
 100-0719/1002
 VOID AFTER 90 DAYS
 Pay to the order of: Public Welfare, Inc. (16-21223) WITH PAYEE'S SIGNATURE AND ADDRESS
 \$ *****765.00
 ---Seven Hundred Sixty-Five Dollars and 00/100
 Pay to the order of: [Signature]
 12/12/2016 109 \$765.00

16-09-16 C3240784163 Mobile University Fed credit Union
 100916163070784 Credit to Acct of Name Payee
 12/12/2016 109 \$765.00

Rabobank, N.A.
 110
 100-0719/1002
 VOID AFTER 90 DAYS
 Pay to the order of: Public Welfare, Inc. (16-21223) WITH PAYEE'S SIGNATURE AND ADDRESS
 \$ *****22,583.50
 ---Twenty-Two Thousand Five Hundred Eighty-Three Dollars and 50/100
 Pay to the order of: [Signature]
 12/27/2016 110 \$22,583.50

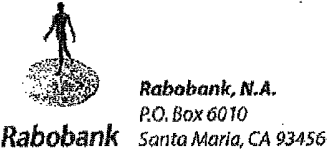
For Deposit Only - JPMC
 12/27/2016 110 \$22,583.50

Rabobank, N.A.
 111
 100-0719/1002
 VOID AFTER 90 DAYS
 Pay to the order of: Public Welfare, Inc. (16-21223) WITH PAYEE'S SIGNATURE AND ADDRESS
 \$ *****8,828.26
 ---Eight Thousand Eight Hundred Twenty-Eight Dollars and 26/100
 Pay to the order of: [Signature]
 12/27/2016 111 \$8,828.26

For Deposit Only - JPMC
 12/27/2016 111 \$8,828.26

Rabobank, N.A.
 112
 100-0719/1002
 VOID AFTER 90 DAYS
 Pay to the order of: Public Welfare, Inc. (16-21223) WITH PAYEE'S SIGNATURE AND ADDRESS
 \$ *****18,361.50
 ---Eighteen Thousand Three Hundred Sixty-One Dollars and 50/100
 Pay to the order of: [Signature]
 12/22/2016 112 \$18,361.50

12/22/2016 112 \$18,361.50



Account Number: [REDACTED]
Statement Date: December 31, 2016
Page: 4 of 4

VOID AFTER 90 DAYS

Pay to the order of: Rocky Mountain Advisory LLC

Amount: \$65.09

Date: 12/22/2016

Signature: [Signature]

CH MRC

12/22/2016 113 \$65.09

VOID AFTER 90 DAYS

Pay to the order of: Rocky Mountain Advisory LLC

Amount: \$65.09

Date: 12/22/2016

Signature: [Signature]

CH MRC

12/22/2016 113 \$65.09

4:19 PM

01/10/17

PWEB

Reconciliation Detail **Rabobank, Period Ending 12/31/2016**

Type	Date	Num	Name	Clr	Amount	Balance
Beginning Balance						277,313.02
Cleared Transactions						
Checks and Payments - 6 items						
Check	12/30/2016		Rocky Mountain Ad...	X	-65.09	-65.09
Transfer	12/31/2016			X	-226,709.67	-226,774.76
Check	12/31/2016		Cohne Kinghorn	X	-22,583.50	-249,358.26
Check	12/31/2016		Rocky Mountain Ad...	X	-18,361.50	-267,719.76
Check	12/31/2016		Cohne Kinghorn	X	-8,828.26	-276,548.02
Check	12/31/2016		Tanner J Purser	X	-765.00	-277,313.02
Total Checks and Payments					-277,313.02	-277,313.02
Total Cleared Transactions					-277,313.02	-277,313.02
Cleared Balance					-277,313.02	0.00
Register Balance as of 12/31/2016					-277,313.02	0.00
Ending Balance					-277,313.02	0.00

DEBTOR: Pacific Web Works

POST CONFIRMATION QUARTERLY REPORT

CH. 11 CASE NO: 16-21223

FOR QUARTER ENDED:

31-Dec-16

SUMMARY OF DISBURSEMENTS MADE DURING QUARTER:

1.	CASH BALANCE, BEGINNING OF QUARTER	\$	<u>92,595.26</u>
2.	CASH RECEIPTS DURING QUARTER FROM ALL SOURCES		<u>234,448.75</u>
3.	CASH DISBURSEMENTS DURING QUARTER, INCLUDING PLAN PAYMENTS (<u>100,334.35</u>)
4.	CASH BALANCE, END OF QUARTER (OR AS OF REPORT DATE FOR FINAL REPORT	\$	<u>226,709.66</u>

SUMMARY OF AMOUNTS DISBURSED UNDER PLAN:

		Paid During Quarter	Total Paid to Date	Total Pyts. Projected Under Plan
1. ADMINISTRATIVE EXPENSES				
Plan Trustee Compensation	\$	\$	\$	
Plan Trustee Expense				
Attorney Fees - Trustee				
Attorney Fees - Debtor				
Other Professionals				
Other Administrative Expenses				
TOTAL ADMINISTRATIVE EXPENSES	\$	\$	\$	
2. SECURED CREDITORS	\$			
3. PRIORITY CREDITORS	\$			
4. UNSECURED CREDITORS	\$			
5. EQUITY SECURITY HOLDERS	\$			
6. <u>Attach additional sheets as nece</u>	\$			
TOTAL PLAN PAYMENTS	\$	\$	\$	
		<u>Amount</u>	<u>Date</u>	<u>Check No.</u>

QUARTERLY FEE PAID: \$ _____

PLAN STATUS:

Yes No

1. Have all payments been made as set forth in the confirmed plan? (If no, attach explanation.) ☒ ☐

2. Are all post-confirmation obligations current? (If no, attach explanation.) ☒ ☐

3. Projected date of application for final decree: _____

I DECLARE UNDER PENALTY OF PERJURY THAT THE FOREGOING POST CONFIRMATION QUARTERLY REPORT IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

Attach additional sheets as necessary

By: _____
Reorganized Debtor

Title

Email & Phone: _____

Form 3

Rev. 12/10/2009